Release of Funds for Drinking Water in Andhra Pradesh

*357. DR. Y. LAKSHMl PRASAD : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether the Central Water Commission proposes to release funds under the Rural Water Supply Scheme for digging borewells for supply of drinking water to villages;

(b) if so, the amount proposed to be released for Andhra Pradesh; and

(c) by when it would be actually released ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI BIJOYA CHAKRAVARTY): (a) No, Sir.

(b) and (c) Do not arise.

Appointment of Nominee Directors on the Boards of Nationalised Banks

*358. MISS FRIDA TOPNO: WilltheMinisterof FINANCE be pleased to state:

(a) whether Government have any plans to appoint nominee Directors on the Boards of Nationalised Banks ;

(b) if so, the steps taken in this regard; and

(c) whether any time-frame has been set for such appointments ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) Appointment of Director on the Boards of the Nationalised Banks is made in accordance with the provisions contained in the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980 and the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 & 1980.

(b) and (c) Action has been initiated to fill up the existing vacancies of Directors on the Boards of the Nationalised Banks.

Dispute Between MTNL and Income Tax Department

*359. SHRI RAMD AS AGARWAL. Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether any dispute exists between the State owned Mahanagar Telephone Nigam Ltd. and the Income Tax Department over the income-tax claims raised by it against MTNL, as reported in the Hindustan Times dated 29th March, 2000;

(b) if so, the details thereof;

(c) whether the Committee on Disputes has looked into this matter and if so, with what results ;

(d) whether the licence fee paid by MTNL was treated as taxable revenue and would not be covered under the standard deductions; and

(e) if so, the details thereof ?

THE MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN) : (a) to (e) A dispute has arisen between Mahanagar Telephone Nigam Limited (MTNL) and the Income Tax Department over some income tax claims raised against the former.

Income tax Department has disallowed the license fee paid by MTNL to Government of India as a tax deductible business expenditure. As a result, over and above the taxes already paid by the company, IT authorities have raised additional demand of Rs. 91.39 crores and Rs. 209 crores for the Assessment Years 1996-97 & 1997-98 respectively. MTNL has disputed both these demands.

The Committee on Disputes has allowed MTNL to appeal against the orders of Income Tax Department for the Assessment Year 1996-97 in the Income Tax Appelate Tribunal. For the year 1997-98 the matter is before the income tax appellate authority.

The license fee paid by MTNL to the Govt, of India was treated as a tax deductible expenditure from 1986-87 up to 1994-95, a period of 9 years. Since the license fee payment is a precondition for MTNL to be in the business, the expenditure on this account has to be treated as valid business expenditure U/S 37(1) of the IT Act. It has been rightly allowed by IT authorities in the previous years as a legitimate tax deductible business expenditure. However, for the year 1996-97& 1997-98 the license fee paid by MTNL has been treated by the IT authorities as taxable revenue, which MTNL has disputed.

Protection of Monuments

*360. SHRI AIMADUDDIN AHMED KHAN (DURRU) : Will the Minister of CULTURE be pleased to state :

(a) whether Government's attention has been drawn to the news-item captioned "Monuments being plundered" which appeared in the Times of India of 20th February, 2000;